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PROPOSED REVISIONS TO THE MEDIUM-TERM PLAN FOR THE PERIOD 1992-1997*

MAJOR PROGRAMME IV. INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT

Programme 14. Trade expansion, export promotion and service sector development

1. The preparation, format and content of the medium-term plan and its revisions are governed by the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/PPBME Rules/1(1987)).

2. Regulation 3.11 provides, inter alia, that the medium-term plan shall be revised as necessary every two years to incorporate required programme changes and that the proposed revisions shall be as detailed as required to incorporate the programme implications of the resolutions and decisions adopted by the intergovernmental organs or international conferences since the adoption of the plan.

3. This fascicle covers subprogrammes 1 to 6 of revised programme 14, Trade expansion, export promotion and services sector development, which relates to activities implemented by the United Nations Conference on Trade and Development. These subprogrammes will be reviewed by the Working Party on the Medium-Term Plan and the Programme Budget of the Trade and Development Board at its meeting from 31 August to 8 September 1992.

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* After adoption by the General Assembly at its forty-seventh session, the complete revised medium-term plan will be issued in final printed form as Official Records of the General Assembly, Forty-seventh Session, Supplement No. 6 (A/47/6/Rev.1).

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4. On account of the proposed new structure and extensive revisions, reflecting decisions of the eighth session of UNCTAD, held in February 1992, the complete text of subprogrammes 1 to 6 is presented below in its entirety. In order to facilitate the review of the new narrative of these subprogrammes, the table below indicates the existing subprogrammes of programmes 13 and 14 contained in A/45/6/Rev.1, and the corresponding new subprogrammes, as well as the new subsidiary bodies established by UNCTAD at its eighth session to deal with respective issues:

Proposed new subprogrammes of programme 14	Corresponding programme/subprogramme in A/45/6/Rev.1
1. Structural adjustment and trading opportunities	Part of 13/2. Structural adjustment and trade expansion
2. Export capacity (new ad hoc Working Group on Expansion of Trading Opportunities for Developing Countries established)	Part of 13/2. Structural adjustment and trade expansion
3. Trade efficiency (new ad hoc Working Group on Trade Efficiency established)	Part of 13/9. Data management and trade facilitation
4. Service development (new Standing Committee on Developing Services Sectors established)	Part of 13/3. Cross-sectoral issues
5. Shipping, ports and multimodal transport	13/8. Maritime and multimodal transport
6. Insurance	14/4. Insurance

5. Subprogrammes 7 to 10 of this programme, which relate to activities implemented by the secretariat of the International Trade Centre UNCTAD/GATT previously covered in subprogrammes 10 to 13 of former programme 13, International trade, are covered in an addendum to this fascicle.

Programme 14. Trade expansion, export promotion and service sector development

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PROGRAMME 14. TRADE EXPANSION, EXPORT PROMOTION AND SERVICE SECTOR DEVELOPMENT

A. Programme

1. General orientation

14.1 This particular programme is concerned with the issues related to the role of trade expansion as an instrument of economic growth and development, and in this context, with the issues pertaining to the expansion of trading opportunities, particularly of developing countries, including structural adjustment and the development of their export capacity.

14.2 The programme also covers the issues related to the role of the service sectors, which have emerged as a highly dynamic segment of the world economy and as a major determinant of productivity and competitiveness. For the developing countries, they have assumed strategic significance for their development process. A growing number of them are now in a position to develop exports of services in a range of areas. Some are dependent on the export of services for their foreign exchange earnings. Thus, for the developing countries, rapid and balanced expansion of their service sectors and increasing their participation in trade in services would enable them to benefit from their comparative advantage in a number of service sectors, and would contribute to their development process and to increased efficiency in the world economy.

14.3 A particular aspect of efficiency covered by this programme relates to the use of new techniques in international trade transactions and procedures that are capable of producing substantial time and money savings in these areas. Such international trade efficiency would require a truly universal use of electronic data interchange, and the integration of countries and regions less advanced in this process in order to give them access to new sources of trade competitiveness. In this connection, domestic models adapted to each level of development are likely to help actual and preferential traders and the public sector to integrate themselves into, and benefit from, international trade efficiency and to build up the local infrastructures to foster foreign trade and investment.

14.4 The programme also includes issues dealing with trade promotion and export development. The business sectors in developing countries are confronted with a pressing need to develop, promote and implement more sophisticated and aggressive marketing strategies capable of securing for their products steadily expanding shares in world markets. This task, requiring extensive technical cooperation support at the enterprise level, implies a substantial upgrading and expansion of the marketing efforts by developing country enterprises in product development and adaptation techniques to assure: an efficient performance of their products in highly competitive markets; the establishment of effective networks of business contacts in world markets, assuring the ability of developing country traders to secure feedback, on a continuing basis, of emerging business opportunities; and the development of business partnerships between developing country exporters/importers and their trading partners in world markets. The above understandably calls for the availability of technical trade promotion support facilities in the developing countries, to develop and promote efficient trade development and promotion within their business sectors. The International

Trade Centre UNCTAD/GATT (ITC) has an important and complementary role to play as the United Nations system's focal point for technical cooperation activities in trade promotion and expo t development, with the broad objective of strengthening national capabilities for the development and promotion of products from developing countries, and improving their import operations and management, thereby increasing their foreign exchange earnings.

2. Overall strategy

14.5 The programme will be implemented in close cooperation with Member States, other intergovernmental organizations and, as appropriate, non-governmental actors such as enterprises, trade unions, the academic community and non-governmental organizations. In the implementation of its programme, the UNCTAD secretariat will be guided by the decisions taken by UNCTAD at its eighth session regarding the institutional adaptation, functions and methods of work of the organization. ITC will implement its programme in accordance with its mandate under Economic and Social Council resolution 1814 (LV), General Assembly resolutions 44/219 and S-18/3, and the Final Act of the seventh session of UNCTAD, chapter IIB, paragraph 85.

14.6 As it enters the 1990s, ITC is equipped with a multi-disciplinary technical research and development capability and an extensive infrastructure of technical cooperation projects in developing countries. That capability is at the disposal of Governments and focuses on enabling export sectors in developing countries to keep up-to-date with developments in international trade. Rapid technological advances and constantly evolving market conditions have made the monitoring of trade opportunities a basic condition for the economic survival of nations. The development of the technical research and development capabilities of the Centre is linked with its technical cooperation activities at the national, subregional and regional levels. It is that linkage that has enabled the Centre to develop a service capability that is attuned to the vital trade development issues being pursued by Governments and business communities in developing countries.

14.7 The function of ITC of monitoring world trade conditions assumed added urgency in the late 1980s when policy commitments in developing countries to export development and trade promotion intensified with stringencies in international liquidity and as rapid advances in communications technologies simplified the exchange of trade information. The institution and service-building efforts of the Centre, which had begun in the late 1960s, appeared in the late 1980s to have brought about a state of institutional readiness in a number of developing countries, thus ensuring better utilization of trade monitoring capabilities of the Centre at the national level. Dissemination of trade information at the level of export enterprises emerged in the latter part of the 1980s as a necessary and practicable undertaking in most countries participating in technical cooperation projects.

14.8 Paralleling its efforts in the export sector, ITC is prepared in the 1990s to base a major part of its technical cooperation activities in import management on the development of improved networks for the exchange of information on sources of supply and on advising and training the officials concerned on more efficient utilization of that information. It is thus expected that improved information on alternative sources of imports should,

by the mid-1990s, lead to an overall improvement in the utilization of developing country resources and constitute at the same time a powerful instrument in promoting trade among developing countries. A number of issues with which the Centre was increasingly concerned in the late 1980s will continue to be the subject of major efforts. Those are special assistance to the least developed countries, expansion of trade and technical cooperation among developing countries, rural export development, improvement of the role of women in development, human resource development, and environmental aspects of trade and export services, which will be integrated in a cross-programmatic manner in the period of the medium-term plan.

14.9 In the mid-1980s, ITC launched a strategy at the enterprise level aimed at accelerating export growth at that level in developing countries. By the late 1980s, a significant part of the overall programme of the Centre was being devoted to the implementation of that strategy at the request of cooperating Governments. Individual enterprises producing products with good export prospects now benefit from multi-year packages of technical cooperation in export management, and market and product development. The performance of such projects is assessed mainly in terms of additional export earnings generated by the enterprises as a result of project support.

14.10 Coordination with other United Nations bodies will take place through various means, including regular consultations and, as appropriate, joint reviews of work programmes. Joint working groups may also be established, such as those established with IMO and ILO in the area of maritime training. Joint and cooperative activities with other agencies will be strengthened in both research and technical cooperation areas. UNCTAD's experience with such joint activities, for example, with the World Bank, FAO, UNIDO and ITC, has been a positive and useful one. Likewise, cooperation, including the organization of joint activities, with the regional commissions will be reinforced, building on the successful experiences in the past, as in the areas of trade and transport with ESCAP, ECA and ECLAC. UNCTAD will also continue to participate actively in inter-agency forums on a wide range of issues, including that dealing with the United Nations New Agenda for the Development of Africa in the 1990s.

14.11 Cooperation will be strengthened with other international bodies such as OECD and integration groupings, and with non-governmental actors such as enterprises, trade unions, the academic community and non-governmental organizations across the whole range of UNCTAD's activities. Such cooperation may include the establishment of flexible and informal mechanisms involving the participation of non-governmental actors, particularly the enterprise sector, so as to benefit from their advice on specific issues.

3. Subprogramme structure and priorities

14.12 The programme on trade expansion, export promotion and services sector development will consist of the following subprogrammes:

Subprogramme 1. Structural adjustment and trading opportunities

Subprogramme 2. Export capacity

Subprogramme 3. Trade efficiency

Subprogramme 4. Services development

Subprogramme 5. Shipping, ports and multimodal transport

Subprogramme 6. Insurance

14.13 Subprogrammes 1 and 4 are designated high priority.

B. Subprogrammes

SUBPROGRAMME 1. STRUCTURAL ADJUSTMENT AND TRADING OPPORTUNITIES

(a) Objectives

14.14 The legislative authority for the subprogramme derives from General Assembly resolutions 42/175 and S-18/3; the Final Act of the seventh session of UNCTAD, paragraphs 101-105 (1-24); Trade and Development Board decisions 179 (XVIII), 367 (XXXV) and 398 (XXXVIII), annex C; "A New Partnership for Development: The Cartagena Commitment"; Special Committee on Preferences resolutions 6 (IX), 11 (XVII) and 12 (XVIII), and decision 9 (XVI).

14.15 Appropriate structural policies aimed at promoting structural adjustment and more dynamic growth in the world economy constitute a crucial element to ensure the enhanced participation in the world economy of developing countries, as well as countries undergoing the process of transition to market economies. In particular, such policies could contribute to expanding the trading opportunities of developing countries through the diversification and growth of their export capacity and the enlargement and improvement of their export market opportunities.

14.16 The objectives of the subprogramme will be:

(a) To promote expeditious and concrete structural adjustment actions within the existing mandate of UNCTAD, favourable, in particular, to the widening of markets for export products where developing countries have or may develop a comparative advantage;

(b) To promote economic reforms in order to allow economies to adjust to new realities in pursuit of national objectives;

(c) To contribute through structural adjustment to the expansion of trading opportunities of developing countries and the diversification and growth of their export supply capabilities;

(d) To contribute to the expansion of the trading opportunities of developing countries through the enlargement and improvement of their export market opportunities;

(e) To contribute to the fulfilment of commitments in the field of international trade, including provisions of differential and more favourable treatment to developing countries;

(f) To contribute to the implementation, maintenance and improvement of the generalized, non-reciprocal, non-discriminatory system of preferences in favour of developing countries, including the consideration of improvements relating to extension of product coverage, simplification and harmonization of rules of origin, limitations, restrictions or withdrawal of preferences, the incidence of non-tariff measures; scope and modalities for extension of preferential treatment to developing countries in respect of goods; increase of preferential margins and duty-free treatment to offset decreases in most favoured nation rates resulting from the Uruguay Round; and substantially improved market access and special trade treatment for the least developed countries;

(g) To identify opportunities for trade expansion and economic cooperation between developing countries and individual countries in Central and Eastern Europe resulting from the shift of the latter countries to a market economy.

(b) Course of action of the secretariat

14.17 The UNCTAD secretariat will contribute to:

(a) Encouraging an effective exchange of experiences of member States with regard to structural adjustment and the elimination of structural rigidities, with a view to facilitating the process of structural adjustment;

(b) Enhancing understanding of factors underlying structural change and adjustment;

(c) Increasing awareness of the need for structural adjustment policies that would provide larger export possibilities for developing countries;

(d) Expanding the trading opportunities of developing countries;

(e) Assessing the impact of import liberalization on general economic development and exports;

(f) Maintaining and improving the generalized system of preferences, including compliance with its multilaterally agreed principles; improving the efficiency and effective use of the generalized system of preferences, especially through strengthening the capacity of preference-receiving countries to utilize export opportunities offered by the schemes;

(g) Enhancing the benefits of developing countries in terms of expansion of trade and reinforcement of economic cooperation with individual countries of Central and Eastern Europe.

14.18 In the light of the above, the UNCTAD secretariat will:

(a) Analyse major trends in production, employment and trade in the sectors of manufactures, commodities (including agriculture) and services, with a view to identifying the salient features of structural changes in the world economy;

(b) Maintain and improve the data and information on structural change and adjustment;

(c) Study in depth the factors underlying structural changes in various sectors;

(d) Analyse the main features of structural adjustment policies and the implications of the elimination of structural rigidities in member countries;

(e) Analyse and identify trade expansion opportunities for developing countries arising from liberalization of trade measures hindering the access of their exports;

(f) Research and compare national experiences of developing countries of the impact of import liberalization on general economic development and exports;

(g) Analyse issues relating to the implementation, utilization, maintenance and improvement of the autonomous scheme of the generalized system of preferences, including tne rules of origin;

(h) Analyse factors causing the low utilization of preferences by beneficiaries, particularly by the least developed countries and smaller beneficiaries;

(i) Identify and analyse the scope and possible modalities for extending preferential treatment to developing countries with respect to goods, in accordance with the principles and objectives underlying the generalized system of preferences;

(j) Analyse the scope for increasing preferential margins and duty-free treatment offered under existing preferential schemes following the conclusion of the Uruguay Round and as a result of the most favoured nation rates having been brought down;

(k) Analyse and identify opportunities for trade expansion and economic cooperation between developing countries and individual countries of Central and Eastern Europe resulting from economic reforms in the latter countries;

(l) Provide substantive support to technical cooperation activities relating to promoting structural adjustment and the trading opportunities of developing countries, as well as to effective utilization of the generalized system of preferences; and service bilateral and plurilateral consultations on generalized system of preferences schemes.

SUBPROGRAMME 2. EXPORT CAPACITY

(a) Objectives

14.19 The legislative authority for the subprogramme derives from General Assembly resolution 45/188; UNCTAD resolution 96 (IV); the Final Act of the seventh session of UNCTAD; the Cartagena Commitment, particularly paragraphs 63 (2), 79 and 128; and Trade and Development Board decision 398 (XXXVIII), annex C.

14.20 A large number of developing countries continue to face serious handicaps in their capacity to export. They need to strengthen their supply base and enhance their production and investment in order to expand and diversify their exports to world markets. Improvements in their policy instruments regarding production, investment and exports are important means for stimulating their growth and development. National policies need to be strengthened further to increase external competitiveness, raise productivity and promote an efficient allocation of resources. A stable and supporting international economic environment and intensified international cooperation can make an important contribution towards enabling developing countries to pursue such objectives successfully. Larger resource flows, including the attraction of foreign direct investment to export-oriented activities, as well as cooperation between domestic and foreign enterprises, can play an important role for the strengthening and diversifying of domestic production, investment and export trade of developing countries.

14.21 The objectives of this subprogramme will be:

(a) To improve the prospects and examine ways for diversification and growth of export supply capabilities of developing countries;

(b) To promote measures, incentives and policies for enhancing the competitiveness of the enterprise sector and industries with an export potential;

(c) To increase export-oriented investment in developing countries by domestic and foreign firms;

(d) To strengthen national capacities for exports in developing countries.

(b) Course of action of the secretariat

14.22 The UNCTAD secretariat will contribute to:

(a) Enhancing understanding of the functioning of supply-oriented policies for the development of an internationally competitive, export-oriented enterprise sector;

(b) Improving the design and implementation of policy instruments for increased and diversified investment in export-oriented production;

(c) Promoting international cooperation and partnership in investment, production, technology and export marketing between domestic and foreign enterprises;

(d) Improving the capacity of policy makers to design policies for strengthening the export supply and marketing capacities of domestic enterprises;

(e) Enhancing understanding of the incidence of the macroeconomic and sectoral policy framework for an efficient, export-oriented productive sector.

14.23 In the light of the above, the UNCTAD secretariat will:

(a) Study factors acccunting for the diversity of export performance between developing countries; and analyse various national experiences in order to identify national measures, incentives and policies for enhancing the competitiveness of sectors and industries with an export potential;

(b) Analyse factors conducive to increased investment in export-oriented industries; and examine policies and measures to increase export-oriented investment and cooperation in developing countries by foreign and domestic firms;

(c) Identify specific policy instruments to strengthen and diversify export supply capacities of developing countries;

(d) Evaluate the role of an appropriate government policy framework for the development of an export-oriented enterprise sector;

(e) Identify possibilities for international cooperation for strengthening export supply capacities of developing countries; and provide support to technical cooperation and training for Governments and the enterprise sector with the objective of strengthening competitiveness and export capacities.

SUBPROGRAMME 3. TRADE EFFICIENCY

(a) Objectives

14.24 The legislative authority for the subprogramme derives from the Cartagena Commitment, paragraphs 156 to 161; and Trade and Development Board decision 398 (XXXVIII), annex C.

14.25 Recent advances in information technologies have enabled thousands of small, medium-sized and large enterprises in many countries to take a quantum leap in the area of trade efficiency. In many countries, including developing countries, trade facilitation strategies or policies relating to electronic data interchange have been particularly effective in improving trading efficiency of the public and private sectors. Many valuable efforts have been made in both the private and public sectors, as well as in international organizations to define and develop the required standards and procedures. A significant acceleration of this process could be achieved that will provide dramatic savings and increased dynamism in international trade. To this effect, international and national strategies are required to foster the integration of developing regions and regions in transition into this process and define the steps towards trade efficiency.

14.26 In many developing countries and countries undergoing the process of transition to a market economy the first steps have been taken to make traditional structures and attitudes more trade efficient. However, such efforts could remain fruitless if the key sources of trade competitiveness remained out of reach for the proponents and initiators of change. Concerted international action is needed to ensure that all potential participants in international trade can access the new sources of trade competitiveness at a reasonable cost. Since a priority objective of such action will be to increase the number of participants in international trade, innovative approaches will need to be developed to allow those countries which do not

have the basic information infrastructures and technologies to integrate positively in global trade through higher trade efficiency.

14.27 There is an urgent need to increase the international degree of awareness of the growth and development potential that information technologies and new trade efficiency practices represent. The concept of trade efficiency should be promoted as a tool for: (a) strengthening the competitiveness of participants in international trade; and (b) producing internationally acceptable standardized agreements capable of reducing procedural and transaction costs in international trade.

14.28 The objectives of the subprogramme will be:

(a) To contribute to the integration of countries and regions less advanced in the process of trade efficiency with a special emphasis on small and medium-sized enterprises;

(b) To produce domestic models and guidelines to help actual and potential traders and the local public sector to integrate into international trade efficiency and to build up the local infrastructures to foster foreign trade and investment;

(c) To foster transparency in trade-related information, in particular through contributing to a greater awareness of opportunities to access publicly available market information;

(d) To support ongoing efforts to establish electronic data interchange standards, in particular by promoting awareness of the work of ECE/WP4 (Working Party 4) and of possible applications of electronic data interchange for administration, commerce and transport (EDIFACT) norms;

(e) To rationalize and streamline trade procedures and facilitate trade generally, including through the automation of customs operation and reform of customs;

(f) To prepare and organize the 1994 World Symposium on Trade Efficiency.

(b) Course of action of the secretariat

14.29 The UNCTAD secretariat will contribute to:

(a) Establishing and interconnecting 16 pilot trade points during 1992-1994 in regions representing various types of economic environments; interconnecting the trade efficiency community; and disseminating trade efficiency globally;

(b) Production of domestic models and guidelines for trade efficiency, involving assessments of trade efficiency of trade-supporting sectors such as customs, transport, insurance and banking;

(c) Promotion of transparency in trade-related information, including the establishment of a system of strategic information for trade efficiency and the dissemination of Automated System for Customs Data and Management (ASYCUDA)-generated data to trade points;

(d) Increasing awareness of the work of ECE/WP4 and of possible applications of EDIFACT norms;

(e) Development and implementation of various facilitation measures and of modern technical methods for trade data interchange;

(f) Preparation of the 1994 international symposium on trade efficiency.

14.30 In the light of the above, the UNCTAD secretariat will:

(a) Produce reports and research stating and evaluating various country experiences in the area of improved trade efficiency; pursue its technical cooperation activities, in particular through the establishment during 1992-1994 of 16 pilot Trade Points, bringing together under one roof all major participants in a typical trade transaction (e.g. customs, banks, insurance and transport companies), and enabling them to access strategic commercial information through a system for strategic information for trade efficiency, where various experiments regarding trade efficiency will be carried out and evaluated; interconnect the pilot trade points, once established, into a trade points system, and study and evaluate the possibilities to collect and transfer information within the Trade Points, as well as to measure the costs involved. Such interconnections will involve three complementary levels, namely: firstly, a global layer for all participants in international trade interlinked in a trade point external information system, for which a low-cost and universal technical solution will need to be adopted or developed; secondly, extensive and systematic use of electronic data interchange between those participants who have the technical capacity to use it; and thirdly, the development, with inputs from local universities and non-governmental organizations of low-cost interfaces and solutions for micro, small and medium-sized enterprises with little or no electronic data interchange capability, which will allow these enterprises to use advanced information without advanced technology;

(b) Make available information technologies to the trade efficiency community at large through the establishment of trade efficiency networks among: ministers of trade and top decision makers in the area of international trade (confidential decision makers trade efficiency network; experts involved in promoting and using trade efficiency, through an experts trade efficiency network; and academics interested in trade efficiency, through an academia trade efficiency network;

(c) Publicize the results of the experiences of pilot Trade Points and organize the training of trainers in the area of trade efficiency by producing material (implementation guides, videos, trade point kits) for small and medium-sized enterprises worldwide; organize seminars and assessment sessions relating to sectors, technology or other aspects of trade efficiency; promote trade efficiency attitudes through all possible means (press, media, meetings, documents and campaigns) among the main sectors composing trade points, and specific aspects of the trade points system (organization, technology, networking, poverty alleviation);

(d) Produce domestic models and guidelines for the improvement of trade efficiency in regions less advanced in this process by drawing on the

experience of trade points and giving due consideration to local legal and technological conditions;

(e) Produce assessments of the trade efficiency of all main trade-supporting sectors from their points of view and that of traders. For each of these sectors, the legal dimension of existing problems and proposed solutions will be given special attention, for example, through examining the actual or potential value of electronic based documents or the accessibility of proprietary data. The impact of information technologies on the ways in which trade-related services are or could be provided to the various participants in international trade will be assessed. Such studies will include the following aspects:

(i) Customs: organization and automation, with relevant input from the ASYCUDA programme, and paying particular attention to the potential trade efficiency gains to be obtained from selectivity, trade facilitation and drastic reduction in the number of licences;

(ii) Transport: information, cost, time, reliability; the development of information systems in and around the trade points, in order to allow traders to benefit from grouping facilities (freight exchanges and data banks on transport capacities and relative advantages);

(iii) Insurance: information, coverage, cost, provision of information and interfacing systems at trade points, so as to allow traders to access insurance services internationally, possibly through sector-specific international networks such as reinsurance and insurance network;

(iv) Banking: information, time, cost, access; the development of information and fund transfer systems for the benefit of traders at the trade points, giving them access to existing networks (e.g. Society for Worldwide Interbank Financial Telecommunication (SWIFT)) or alternative ones; the development of mechanisms to widen traders' access to credit (e.g. through collective insurance mechanisms);

(f) Undertake studies, research and experiments and in collaboration with other competent institutions such as ITC, OAS, the Customs Cooperation Council, or national customs administrations, develop comprehensive reviews of available systems (on-line and off-line), as well as propose practical solutions and guidelines to promote transparency in trade-related information; establish a system of strategic information for trade efficiency in the form of a simple, low-cost and universal interface through which strategic data (market intelligence), now scattered among various sources, will be made available to all traders through the trade points;

(g) Make ASYCUDA-generated customs data available to trade points, taking advantage of the fact that the 50 countries that are at present members of the ASYCUDA system are in a position to offer reciprocity and thus gain access to most of publicly available customs data; help to provide special arrangements, for example, with data providers, servers or carriers, to allow trade points to gain access to other types of data such as those contained in the major trade-related databases around the world; develop specific tools and interfaces to format ASYCUDA-generated data for specific applications and

systems, and make such applications and systems available to the trading community through trade points;

(h) Undertake studies in order to increase awareness of the work of ECE/WP4; assist the applications using the EDIFACT standards including at trade points; undertake cost/opportunity studies in different types of economic environment, in order to assess the actual and potential impact of the use of electronic data interchange for small and medium-sized enterprises; disseminate the results of relevant research through publications, seminars and other vehicles; organize training sessions for the benefit of developing countries and economies in transition, with the objective of increasing their awareness and knowledge of electronic data interchange and its underlying philosophy, techniques, norms and standards;

(i) Undertake research and development of new standards and measures, including development of automatic data-processing systems specially intended for developing countries;

(j) Provide support to inter-agency coordination activities in this field in order to enable UNCTAD to participate in the adoption of interregional standards, and to better promote their universal adoption, with special emphasis on coordination with the regional commissions and economic groupings in their efforts to assist developing countries in the use of automatic data-processing-related standards such as EDIFACT;

(k) Provide support to technical cooperation activities to allow developing countries to benefit from technological developments achieved mainly in the developed countries, including activities designed to facilitate the implementation of trade facilitation measures coupled with the installation of computer systems, including ASYCUDA, taking into account the fact that the new version of the ASYCUDA system (version 3.0), which incorporates new standards such as EDIFACT or the European Economic Community (EEC)'s Single Administrative Document, will need to be implemented in and beyond the 52 countries that have adopted ASYCUDA so far, so as to promote the rapid establishment of an international network of trade data interchange, at regional and global levels;

(l) Prepare for and organize the world symposium on trade efficiency.

SUBPROGRAMME 4. SERVICE DEVELOPMENT

(a) Objectives

14.31 The legislative authority for the subprogramme derives from the Final Act of the seventh session of UNCTAD; the Cartagena Commitment, paragraphs 177-188; and Trade and Development Board resolution 380 (XXXVI) and decisions 309 (XXX), and 398 (XXXVIII), annex B.

14.32 The 1980s witnessed significant growth in the importance of the service sector in national economies and in international trade. Producer services, in particular, emerged as a highly dynamic segment of the world economy and as a major determinant of productivity and competitiveness. The strategic significance of services for the development process is increasingly recognized. Although the situation varies according to different service

sectors, developed country firms dominate world trade in services, while most developing countries have not been able to build up a productive and competitive capacity, or to overcome barriers to entry to world markets. An increased participation of developing countries in trade in services would enable them to benefit from their comparative advantage in a number of service sectors and would contribute to their development process and to increased efficiency in the world economy. A growing number of developing countries are now in a position to develop exports of services in a range of areas. Some are dependent on the export of services for their foreign exchange earnings. For others, strengthening their service sectors, including shipping, is crucial in order to enhance their position in international trade in goods. Many recognize the need to create the appropriate conditions conducive to strengthening their service sectors and to increasing their foreign exchange earnings therefrom.

14.33 The objectives for the subprogramme will be:

(a) To make proposals as to national policies aimed at strengthening the production, export and technological capacity of service sectors, taking into account the level of development in different countries, with a view to contributing to development and increasing the participation of developing countries in world trade in services;

(b) To examine difficulties particularly those faced by developing countries in enhancing exports of services, thereby increasing their participation in world trade in services;

(c) To support policies aimed at enhancing cooperation with other countries, at regional, subregional and interregional levels, including mutual trade liberalization, pooling capabilities to improve skills, distribution networks and infrastructure development;

(d) To continue support for concerted policy actions, including the provision of financial assistance on concessional terms, to promote training, as well as acquisition and transfer of technology on terms and conditions agreed to by the parties concerned, to build up technological and human capabilities, so as to enhance the absorption of relevant technologies, and to construct and/or improve basic service infrastructures, including subregional and regional transportation, particularly in low-income countries and least developed countries.

(b) Course of action of the secretariat

14.34 The UNCTAD secretariat will contribute to:

(a) Reviewing the development of service sectors in developing countries and comparative analyses of policies, including identification of domestic weaknesses and capabilities, aimed at creating the conditions necessary for the development of competitive service sectors and export of services;

(b) Formulating policies to strengthen the service sector in the developing countries, including issues relating to production and export capacity, and to increase their participation in world trade in this sector;

(c) Identifying sector-specific policy options, with a view to developing competitive service sectors;

(d) Identifying the impact of progressive liberalization in the development of competitive service sectors;

(e) Identifying issues relating to developing countries' access to information networks and distribution channels for services;

(f) Formulating policies aimed at human resource development, the development of knowledge-intensive services and producer services related to primary and manufacturing sectors and telecommunications;

(g) Strengthening the institutional, technological and physical infrastructures of the developing countries;

(h) Improving the capacity of individual countries, in particular developing countries, to benefit from information related to service production, trade and technology.

14.35 In the light of the above, the UNCTAD secretariat will:

(a) Analyse specific ways to allow an increasing participation of developing countries in trade in services, including overcoming difficulties they face in their export of services, and improving the functioning of the service markets;

(b) Analyse the role played by the service sector in the development process of individual countries with a view to assisting them in the design of policies to strengthen this sector, including its production and export capacity;

(c) Study the promotion of efficient marketing of export competitive industries and domestic labour skills;

(d) Study developments and trends in the various service sectors, with the aim of identifying sector-specific policy options to increase the participation of developing countries in trade in these sectors;

(e) Study means to facilitate developing countries' access to information networks and distribution channels for services;

(f) Contribute to increasing knowledge of laws and regulations concerning the service sector with a view, inter alia, to improving the legislative framework applying to specific service sectors, adapting it to the requirements of increasing globalization of services, promoting transparency and mutual knowledge of the pertinent regulations;

(g) Strengthen and refine the database for, and statistics on, the service sector at the national, regional and interregional levels;

(h) Provide assistance to developing countries in the implementation of the results of the Uruguay Round negotiations on trade in services;

(i) Study problems and opportunities faced by the countries undergoing transition to a market economy in improving the role of services in their economies, as part of their structural adjustment programmes, with a view to increasing their trade in services and identifying issues for possible international action;

(j) Analyse the interactions between trade in services and environmental protection;

(k) Provide substantive support to technical cooperation activities at national, regional and multilateral levels, including activities to support and assist developing countries in the identification of their weaknesses and capabilities in the service sector and to make their service sector more competitive, and help those developing countries which lack the necessary infrastructures needed for the evolution and development of their national service sectors.

SUBPROGRAMME 5. SHIPPING, PORTS AND MULTIMODAL TRANSPORT

(a) Objectives

14.36 The legislative authority for the subprogramme derives from General Assembly resolution 46/213; the Cartagena Commitment of the eighth session of UNCTAD; and Trade and Development Board decision 398 (XXXVIII), annex B.

14.37 As world trade is mainly seaborne, it is vital for developing countries to develop and strengthen their maritime and multimodal transport sectors and participate in the carriage of goods in order to increase their foreign-exchange earnings or savings therefrom. Given the growing interdependence among the service sectors, their effective participation, which may be facilitated by increasing their capacity to cope with rapidly changing structural and technological developments, is also necessary in order to improve the efficiency of their maritime and multimodal transport and related services and infrastructure facilities.

14.38 As the sea remains the main transport vector, ports will remain a key element in the transport chain. An increase in their productivity can have a direct impact on transport costs and export competitiveness. Modern ports are no longer passive points of interface between sea and land transport, they are becoming service centres with a strong commercial orientation. Efforts to attract, gain and keep new cargo flows will in turn generate new revenue-earning and value-adding businesses. They are thus evolving into integrated transport centres and logistic platforms for international trade. For this reason, ports, in order to remain competitive, have to continue to improve their services, particularly by the introduction of technological improvements and measures to enhance commercial viability and to improve managerial and technical skills.

14.39 Containerization has brought about a revolution in all modes of transport and has created an important new concept, that of multimodal transport, in the transport economy. Unitization of cargo and economies of scale are the main issues. With the introduction of electronic data interchange, transport service providers are integrating their services into efficient transport chains, and the concept of value-added transport chains is

becoming increasingly important. It has led to the development of new services such as third-party logistics services, and the creation of very large transport operators, the so-called "mega-carriers", which take advantage of the potential offered by containerization and modern transport technology.

14.40 Multimodal transport issues are complex, since they make it necessary for Governments to give simultaneous attention to various questions such as transport legislation, trade and transport facilitation, infrastructure development, transport mode operations and human resource development. The individual elements that make up the multimodal transport chain may affect its overall efficiency because of poor infrastructure, bad management and lack of coordination. Multimodal transport requires not only creativity and innovation in developing logistics organizations to move cargo but also an institutional and commercial environment that extends beyond the transport sector.

14.41 The objectives of the subprogramme will be:

(a) To identify elements leading to the development of competitive shipping sectors, in order to enhance the participation of developing countries in world shipping;

(b) To promote an equitable balance of interests between the suppliers and users of shipping services;

(c) To facilitate intraregional and interregional cooperation in the fields of shipping, ports and multimodal transport, including cooperation among developing countries;

(d) To facilitate exchange of information on infrastructure development, including port infrastructure, developments in the shipping sector and technological developments that affect maritime transport;

(e) To develop and improve port services, particularly by the introduction of technological improvements and measures to enhance commercial viability of ports, including issues related to commercialization, privatization and deregulation, and to improve the efficiency of port management operations;

(f) To promote the efficient conduct of multimodal transport processes, bearing in mind economic, commercial and legal aspects;

(g) To increase knowledge of laws and regulations concerning shipping, ports and multimodal transport with a view to adapting them to the requirements of increasing globalization of services, promoting transparency and mutual knowledge of the pertinent regulations.

(b) Course of action of the secretariat

14.42 The UNCTAD secretariat will contribute to:

(a) Encouraging the efforts of developing countries and countries undergoing the process of transition to a market economy to develop and adapt their merchant fleets in line with the new realities in the global economy and to enhance the competitiveness and export of their shipping services;

(b) Strengthening intraregional and interregional cooperation, including cooperation among developing countries, in the field of shipping, ports and multimodal transport;

(c) Promoting a balance of interests between the suppliers and users of transport services with particular regard to mechanisms that promote regular consultations on tariff structures and service patterns and other issues of particular interest to the trading community in order to facilitate international trade;

(d) Enhancing understanding of the changing role of ports as industrial and service centres and logistic platforms for national and international trade, and improving port performance through assistance in the improvement of port management skills and application of the legal, administrative and operative changes required by modern transport technologies and new operational demands;

(e) Enhancing understanding of the need for a sound commercialization of ports in developing countries, including privatization wherever appropriate, as well as for cooperative arrangements with other ports of the region towards the achievement of competitive specialization, in view of the heavy financial burdens imposed by the changing technological environment of modern ports;

(f) Promoting the use of international multimodal transport operations and modern transport technology, including the use of transport-related information technology, such as electronic data interchange and the advanced cargo information system;

(g) Encouraging a better understanding of the utilization of the latest techniques in physical distribution management and the transfer of knowledge to countries in need thereof;

(h) Encouraging, as appropriate, the adaptation of existing international legal instruments and agreements relating to the economic and commercial aspects of shipping, ports and multimodal transport services with a view to increasing the efficiency and competitiveness of these sectors;

(i) Strengthening the capacity within developing countries for training and development of human resources in relation to the management of the maritime transport sector through the Training Development in the field of Maritime Transport (TRAINMAR) programme;

(j) Preparing and implementing, in cooperation with the regional commissions concerned, the strategies for shipping, ports and multimodal transport for the United Nations Transport and Communications Decades for both Africa and Asia and the Pacific.

14.43 In the field of shipping policy, the UNCTAD secretariat will:

(a) Prepare comparative analyses of national shipping policies and their impact on fleet development and the quality of shipping service;

(b) Study strategies and options for privatization and/or commercialization of state shipping companies and for the establishment of a

national institutional environment aimed at fostering competitive shipping services adequate to the requirements of trade;

(c) Continue to monitor and assist Governments, upon request, in their implementation of the United Nations Conventions on Conditions for Registration of Ships, on the Carriage of Goods by Sea, and on a Code of Conduct for Liner Conferences, taking into account the scope of application of the provisions of the latter in a liberalized trading environment; undertake follow-up activities pursuant to resolution 2 of the Review Conference on the United Nations Convention on a Code of Conduct for Liner Conferences;

(d) Study the possibilities of economic cooperation among developing countries with regard to policy formulation and implementation as well as to shipping, ports and multimodal transport operations, including the establishment or improvement of intraregional shipping services through joint ventures;

(e) Analyse technological and organizational developments in order to meet requirements regarding the quality and conditions of service and to reduce the gap between the shipping, ports and multimodal transport operations of developed and developing countries.

14.44 In the field of ports and port-related services, the UNCTAD secretariat will:

(a) Analyse, in cooperation with specialized bodies, the regional commissions and the private sector, structural, technological and institutional changes in trade and transport and their impact on ports, with a view to developing the concept of the port as a service centre for the facilitation and promotion of the international transport sector;

(b) Undertake research on economic, commercial, financial, organizational, managerial and operational issues in order to improve the efficiency, productivity and competitiveness of port services and assist selected ports through the development and backstopping of technical cooperation projects in the implementation of the results of these studies;

(c) Study legal and environmental issues affecting port development and improve the exchange of information on port-related matters and services.

14.45 In the field of international multimodal transport, the UNCTAD secretariat will:

(a) Study the structural changes in transport supply services, particularly the developments of new multimodal transport systems with potential global effects, the evolution towards total transport chains, the needs for new transport infrastructures and the effects of increased competitiveness and liberalization policies on the transport sector of developing countries and countries undergoing the process of transition to a market economy;

(b) Study the structural changes in transport demand and their impact on trade flows and international transport needs for the industries of developing countries;

(c) Monitor developments in transport technology with potential impact on a country's transport infrastructure and investment requirements; develop guidelines and models for harmonization and simplification of administrative procedures; review issues of standardization of containers; and promote the exchange and dissemination of information concerning the efficient conduct of multimodal transport processes, bearing in mind economic, commercial and legal aspects;

(d) Elaborate reference documents setting out basic concepts of multimodal transport and major issues to be dealt with in a market-oriented implementation process, and continue to promote the application of the agreed model rules for container tariffs as well as a standard form and model provisions for multimodal transport documents;

(e) Monitor the harmonization and subregional coordination of the development of multimodal transport;

(f) Undertake research on the development of multimodal sea/air transport services and of inland waterway transport operations;

(g) Strive to achieve a stronger projection at the national level of the multimodal issue and its implications for the economies of developing countries, through appropriate technical cooperation and training, involving specialized organizations, other international bodies and development institutions.

14.46 In support of the above-mentioned activities, recognizing that rules and regulations applicable to international transport are gaining increasing importance in the process of globalization and growing interdependence, the UNCTAD secretariat will:

(a) Monitor legal problems encountered by developing countries with regard to efforts of privatization and regional cooperation;

(b) Study the legal aspects related to the implementation of new transport concepts, identifying obstacles and issues related to the harmonization and modernization of existing legal and practical norms and standards for the efficient conduct of shipping, ports and multimodal transport services;

(c) Pursue efforts, jointly with IMO, towards the negotiation of a convention on maritime liens and mortgages and undertake, subject to the outcome of the diplomatic conference for the consideration and adoption of the draft convention on maritime liens and mortgages, further work in relation to the arrest of vessels;

(d) Help to increase knowledge of laws and regulations with a view to their adaptation to the requirements of modern international transport conditions, and provide assistance to Governments, on request, in the development of their national laws and policies, including advice on the application of the international conventions adopted within UNCTAD.

14.47 In the field of technical cooperation, the secretariat will undertake activities at the national, regional and interregional levels to assist developing countries:

(a) To develop competitive shipping services;

(b) To obtain maximum benefits from existing port facilities and from the development of new facilities;

(c) To develop efficient multimodal transport services and to make better use of containers.

14.48 Emphasis will be placed on training, including on-the-job training, through further development and integration of the existing training programmes, TRAINMAR and improving port performance. Assistance will be provided to countries in designing a training policy, establishing a training capability and preparing training programmes properly integrated into a human resource development plan. The TRAINMAR programme will continue to help training centres of developing countries to establish and run their own training courses and, by using a common approach, to cooperate among themselves in enhancing both the quality and volume of training.

14.49 Attention will also be given to the development and implementation of the advance cargo information system with a view to enhancing transport efficiency.

SUBPROGRAMME 6. INSURANCE

(a) Objectives

14.50 The legislative authority for the subprogramme is derived from UNCTAD resolution 42 (III), in particular paragraph 72; and Trade and Development Board decision 398 (XXXVIII).

14.51 Although most developing countries have succeeded in establishing a national insurance sector, it is still in its infancy and affected by a number of structural rigidities and deficiencies, preventing it from providing effective support to other economic sectors and protecting national assets in a cost-effective way. A particular weakness in many developing countries is the smallness of insurance markets and the lack of competition in such markets.

14.52 The objectives of the subprogramme will be:

(a) To strengthen the insurance sector in developing countries so that it can make an effective contribution to their development;

(b) To contribute to enhancing the international competitiveness of insurance services of developing countries.

(b) Course of action of the secretariat

14.53 In the light of the above the UNCTAD secretariat will:

(a) Conduct research and prepare analyses on ways to improve the performance of national insurance markets, focusing in particular on:

(i) An expansion of insurance markets by identifying possibilities and difficulties of extending insurance to productive sectors of the national economy hitherto not reached by insurance services, in particular to the agricultural sector;

(ii) Ways and means of improving the general insurance awareness in developing countries, and of improving the marketing of insurance policies, with particular emphasis on rural and semi-urban areas;

(iii) The potential of strengthening the competitiveness of insurance markets through measures of liberalization and privatization;

(iv) Ways of assisting in the creation and/or improvement of a national legislative environment that is conducive to the satisfactory and reliable functioning of insurance markets;

(v) Ways of strengthening insurance supervisory authorities and rendering their services more effective and relevant in a new competitive environment;

(b) Undertake comparative analyses of national policies and experiences of developing countries and their effects in the field of insurance;

(c) Collect, analyse and disseminate statistics on insurance and reinsurance operations in developing countries;

(d) Identify areas where technical cooperation activities can play a crucial role in the development and strengthening of the insurance sector, and provide support to such activities, with particular reference to:

(i) Strengthening of the competitiveness of insurance markets through measures of liberalization and privatization;

(ii) The further development and updating of insurance legislation and the strengthening of supervisory capacity for the effective regulation and control of insurance markets;

(iii) Education and training designed to enable developing countries to acquire the necessary qualified personnel for the effective functioning of their insurance markets;

(iv) Possibilities for increased cooperation among developing countries in particular fields, for example, exchange of reinsurance;

(v) The strengthening of insurance markets in countries undergoing transition to a market economy.